

### **3.05.00.00 - FEDERAL-AID PROJECT FUNDING**

#### **3.05.01.00      General**

To obtain federal financing of projects, the Department must comply with laws, regulations, requirements, and procedures established by Congress and FHWA. The decision to apply for federal participation on a project or phase of a project is made during the programming phase and is guided by the Department's federal-aid policy.

The following are laws and regulations that govern FHWA Program financing:

- Title 23 U.S. Code
- Title 23 Code of Federal Regulations
- TEA-21
- Clean Air Act
- National Environmental Protection Act (NEPA)
- Title 49 U.S. Code
- Uniform Relocation Act
- Annual Appropriation Act
- Special Congressional Action

The Department utilizes FHWA's publication entitled "A Guide to Federal-Aid Programs and Projects" in the administration of the Federal-aid highway program. The guide provides basic information about the Federal-aid programs, projects, and other program characteristics. The publication also includes information resulting from the latest multiyear Federal-aid authorizing legislative act, The Transportation Equity Act of the 21<sup>st</sup> Century (TEA-21, Public Law 105-178).

Federal-aid to California encompasses federal funding to Local Agencies, and STIP and SHOPP projects. Under SB 45, the STIP provides 75% of new STIP funds for the Regional Transportation Improvement Program (RIP) and 25% for the Interregional Transportation Improvement Program (IIP).

FHWA provides a portion of the total cost of each project in which it participates; the state or local agency must provide matching funds. The Federal Transportation Act sets the federal participating ratio (percentage) for each program.

Title 23, Section 115, of the United States Code, as amended by the Federal Highway Act of 1987, allows states to finance projects with their own funds and later claim reimbursement when new federal funding or authorization becomes available.

Under the conditions in 23 CFR 1.36, FHWA may withhold payment where the state fails to comply with federal laws or regulations, state laws, or under circumstances of waste, fraud, and abuse.

The Federal Highway Administration (FHWA) amended the right of way regulations for federally assisted transportation programs administered under Title 23, United States Code. The FHWA clarified and reduced federal regulatory requirements and placed primary responsibility for a number of approval actions at the state level.

Changes in 23 Code of Federal Regulations (as a result of TEA-21) that affect R/W activities are detailed in the functional sections of the R/W Manual. Significant changes to the federal regulations affecting right of way include, but are not limited to the following:

1. Expanding federal funds to participate in all costs required by state law.
2. Allowing states to receive credits for early acquisition in concurrence with meeting environmental process.
3. Allowing states to advance preliminary acquisition activities under preliminary engineering for requesting federal participation in funding and reimbursement of incidental or support costs.
4. Allowing states to retain the proceeds for the lease or sale of real estate purchased with federal funds as long as the proceeds are used for Title 23USC type projects.
5. Eliminating the federal right-of-way revolving fund for acquiring right-of-way in advance of available state funding.
6. Requiring states to update and submit ROW operations manuals (to document methods and practices to assure compliance with state and federal laws and regulations) to FHWA for approval no later than January 1, 2001.
7. Requiring State Transportation Department to certify to FHWA every five years after January 1, 2001 that the current ROW operations manual conforms to existing practices and contains necessary procedures to ensure compliance with federal and state real estate law and regulation.

### **3.05.02.00**      **Departmental Policies and Guidelines**

The Department has established policies and guidelines for developing budget and programming documents (STIP and SHOPP) and for administering and programming federal-aid projects. The Department maximizes use of federal resources by capturing all federal aid available and applying it to construction, right of way acquisition, and preliminary engineering.

Current policy directs that all projects requesting federal aid must be listed in the current federally approved State Transportation Improvement Program (FSTIP). Departmental directive requires federal aid for both capital and support be requested for all eligible R/W projects. (See Section 3.04.04.05, Federal Participation in Right of Way.)

Refer to Deputy Directive Number DD-11, Exhibit 3-EX-4, for further directions.

It takes several years to expend funds for R/W project costs. To avoid obligating excess federal funds unnecessarily, the Department, therefore, typically does not request the total estimated at one time.

The Federal Resources Office, Headquarters Budgets, is responsible for developing and submitting the Department's Federal Aid Programs to FHWA. In preparing the programs, it must consider the class of funds involved and the relationship of total funds to amounts expected to be available during the programming period.

District R/W submits multiple E-76s to cover incremental portions of R/W work.

### **3.05.02.01**      **Federal-Aid on State and Local R/W Projects**

The Department secures federal funding on State and Local projects that qualify for federal-aid. To request federal-aid, a project must be listed in the FSTIP or FTIP and have an approved environmental document dated within 3 years of the submittal of the E-76.

With the enactment of SB 45, programmed projects on the State Highway System may have a mix of both state and local funds. State funds are STIP funds, which include the Regional Improvement Plan (RIP) and the Interregional Improvement Plan (IIP). Local Agency Funds include tax measure, property tax, developer fees, and Local Assistance federal subventions.

The Federal Resources Office and Office of Local Programs are both responsible for programming federal funds on R/W projects. Headquarters Federal Resources Office is responsible for State projects while Local Programs is responsible for Local Agency projects.

- State Projects are those projects on the State Highway System.
- Local Projects are those projects on Local Streets and Roads.

In administering state and locally funded R/W projects, there must be separate accountability of State and Local federal funds. The Department must establish separate TRAMS EAs with Subjobs to account for separate funding and expenditures on each (State or Local) federal-aid project.

For locally funded (including subvention funds) projects, the Department must enter into a cooperative agreement with a local agency prior to performing any right of way activities.

### **3.05.02.02**      **Early Acquisition under 23 CFR Section 710.501**

Effective January 20, 2000, 23 CFR amended R/W regulations for federally assisted transportation programs to allow the state, under certain circumstances, to initiate early acquisition for corridor preservation, access management, or other purposes and use eligible acquisition costs toward the state's share of the project into which the right of way is incorporated. It specifically provides for early acquisition in advance of final environmental and project approval.

In discussing "early acquisition" and acquisition costs as credit or soft match of federal funds, early acquisition refers to the acquisition of real property by state or local governments in advance of federal authorization or agreement. Early acquisition referenced in this section is not the same as advance acquisition under hardship or protection purchase criteria. See Chapter 5, Corridor Preservation, Hardship and Protection.

Amendments to 23 CFR allow flexibility in considering early acquisition under certain situations. However, state and local governments must conform to statutory requirements in early acquisition approaches and follow federal guidelines that include careful observance to environmental process before obtaining credit. Before initiating early acquisition, proper legal authority must be obtained and careful consideration given to program and project needs.

On December 28, 2000, HQ Right of Way issued a memorandum that sets forth criteria for beginning R/W acquisition on STIP projects prior to approval of environmental clearance. The guidelines are a departmental process only and are not applicable to local agencies. See Exhibit 3-EX-6.

### **3.05.02.03**      **Credit (Soft Match) toward State's Share of Project Cost**

Revisions to 23 CFR (as a result of TEA-21 legislation) allows acquisition costs (capital costs only) incurred by a state agency to become eligible for use as a credit towards the state's share of a federal-aid project provided certain conditions are met. [23 CFR 710.501 (b)] Credits can be applied to projects where the initial project agreement with FHWA was executed after June 9, 1998.

Essentially, this provides that the value of property acquired by state or local governments and incorporated into the project could be credited to the **nonfederal share** in either the right of way or construction component of the total cost of a federal project. However, it is only **land** and **building** costs (state only funded) that are deemed to be qualifying and are permitted as a contribution toward the nonfederal share. (All other costs, such as support, appraisal, related acquisition costs, damages, and RAP are not counted as soft match or credits.) **Credits are not available for lands acquired with any form of federal financial assistance, or already incorporated and used for transportation purposes.**

Prior to TEA-21, publicly-owned property could not be used as credit toward the nonfederal share of the cost of a project. However, with the amended 23 CFR regulations 710.507, state and local contributions of properties (incorporated within a federally funded project) can be used as a credit toward the matching share of the total project cost.

In 23 CFR Part 710, Subpart E, Section 710.501 Early Acquisition, (b) Eligible Costs provides conditions that must be met if eligible acquisition costs are used as credit (soft match) on a federal-aid project. Those conditions are, in part, as follows:

1. The property was lawfully obtained.
2. The property is not Park Land (23 U.S.C. 138).
3. The property was acquired in accordance with 49 CFR, Part 24.
4. The state complied with Title VI (42 U.S.C. 2000d - 2000-4).
5. The FHWA concurs that the action taken did not influence the environmental assessment,
  - i. The decision to construct the project;
  - ii. The consideration of alternatives; and
  - iii. The selection of the design or location; and
6. The property must be incorporated into a federal-aid project.
7. The original project agreement covering the project was executed on or after June 9, 1998.

Provisions of 23 CFR, Section 710.505–Real Property Donations and 710.507–State and Local Contributions, provide opportunities to the State Transportation Department to utilize the value of real properties as credit towards the state share of a project.

Under Section 710.505 (b), donations of real property from a nongovernmental owner may be credited to the state’s matching share of the project. The credit is to be based on fair market value established on either the date on which the donation becomes effective, or the date on which equitable title to the property vests in the State.

Under Section 710.507 (d), contributions of real property acquired with State funds may support a credit toward the nonfederal share of project costs provided documentation supporting all credits includes the following:

1. Certification that the acquisition satisfied the conditions in 23 CFR 710.501(b); and
2. Justification of the value of credit applied, Acquisitions costs incurred by the State to acquire title can be used as justification for the value of the real property.

Under Section 710.507 (e), contributions by local government of real property may be offered for credit against the state share of the project at fair market value of the real property. The state agency must assure that the acquisitions satisfy the conditions in 23 CFR 710.501 (b), and that the documentation justifies the amount of the credit.

Sufficient documentation of the financial data to support the soft match or credit must be included in the project file for the final voucher. Expenditure reports from TRAMS will suffice as financial support to document the State’s matching share of the project.

HQ Federal Resources Office and Accounting Service Center should also be consulted for further guidance on the application of soft match or credit toward a federal-aid project.

### **3.05.03.00**      **Federal Participation in R/W Projects**

Setting the threshold for federal-aid for R/W projects at \$1,000,000 or more has resulted in different criteria being used to determine federal participation in R/W costs. Although federally approved R/W projects are generally 100% participating, only those parcels within the R/W lines and eligible excess land are eligible for federal participation.

There could be federal authorization and participation on a R/W project, but not on specific parcels because acquisitions occurred prior to federal authorization on the R/W project. (Those nonparticipating acquisition costs should be coded in TRAMS as ineligible.) Also, where the Department did not apply for and receive FHWA authorization and specific federal approval for utility relocations, the utility relocation costs may not be charged to the project with federal participation. (See Section 3.05.12.05, Federal-Aid Eligibility Code.)

There may be federal aid for preliminary engineering and construction engineering on a highway project, but not for R/W. The nature and complexity of R/W projects compared to construction or preliminary engineering projects require that extreme care be exercised in identifying federal eligibility and participation. To accommodate the multifunctional R/W costs and credits, various federal participation forms are used to identify federal participating costs and to segregate eligible and ineligible R/W costs for federal reimbursement. Each R/W functional area has included special instructions for properly coding functional costs in its Monitoring Procedures. (See functional sections of the R/W Manual for detailed instructions.)

### **3.05.04.00**      **Federal Funding Overview**

Whenever federal funds provide a portion of a project's funding, the Department must qualify the project for federal participation by meeting applicable requirements of federal laws, and implementing regulations and directives.

The following is a summary of activities necessary for obtaining federal authorization, funding and reimbursement for a federal-aid project:

- Verify project is included in programming documents (e.g., STIP, SHOPP, FTIP, FSTIP).
- Request work/project authorization and execution of project agreement by submitting an electronic E-76 in FADS to the Federal Resources office for processing to FHWA.
- Receive FHWA's approval through electronic signature document in FADS for the work/project, and begin R/W work.
- Bill FHWA for progress payments through the Current Billing and Reporting System (CBARS).
- Initiate and submit, when necessary, an electronic modification of project agreement in FADS to adjust federal funding under agreement with FHWA.
- Prepare a final voucher for the project after all work is completed and close out project with FHWA.

### **3.05.05.00**      **Federal Authorization/Approval**

FHWA has delegated to the Department much of the authority for determining FHWA Involvement and Oversight on projects. Headquarters Federal Resources Office and Local Programs have overall responsibility for the management of federal funds on State and Local projects.

The Department obtains separate authorizations/agreements on capital outlay projects for preliminary engineering, R/W, and construction through the electronic combined authorization/agreement process. This process utilizes the Federal Aid Data System Electronic Signature System (FADS). The FHWA approval of

plans, specifications and estimates, authorization to proceed with work, and obligation of federal-aid funds (for an exception, see Section 3.05.05.01 on advanced construction projects) all occur with the execution of the project agreement. FHWA's approval to proceed with work establishes the date after which expenditures are eligible for reimbursement.

Federal funds may not be used for costs incurred prior to the date of authorization to proceed. Since CBARS precludes costs prior to authorization from billing FHWA, special coding is not needed for segregating costs in the billing.

While many federally funded projects are exempt from FHWA approval and oversight, R/W projects are not exempt. Often R/W projects are authorized and funded for an amount less than the total estimated cost (usually the amount that can be expended on a timely basis, generally one year). Since R/W project limits frequently differ from construction project limits, these projects are programmed separately with FHWA and are assigned different federal-aid project numbers.

The Federal Resources Office and Office of Local Programs coordinate programming of all federal funds with FHWA and submit necessary back-up documentation for the projects.

### **3.05.05.01**      **Federal Authorization for Advance Construction (AC) Projects**

The Federal Resources Office will use its discretion in programming and processing federal-aid projects. When a R/W project is designated as an advance construction (AC) project, it is processed in the same manner as a regular federal-aid project and a project agreement is executed. The only exception is that the FHWA authorization does not constitute a commitment of federal funds on the AC project. The Federal Resources Office at some future date will convert the AC project so that it will be funded through an electronic modification of project agreement.

### **3.05.05.02**      **Federal Participation in Preliminary Acquisition Activities**

23 CFR 710.203 (3) allows preliminary acquisition activities to be advanced under preliminary engineering prior to National Environment Policy Act (NEPA) clearance (42 USC 432 et seq.). Appraisal completion may also be authorized as preliminary right-of-way activity prior to completion of the environmental document. Thus, costs of preliminary R/W activities incurred in conformance with state and federal law requirements may qualify for federal participation.

Districts may prepare and submit an electronic E-76, Project Authorization/Agreement to seek Federal participation in preliminary R/W activities following:

1. June 9, 1994 guidelines that define preliminary right of way (see Exhibit 3-EX-5 and Section 3.08.01.00).
2. Departmental guidelines for federal aid project funding for Right of Way Projects (see Exhibit 3-EX-4).

### **3.05.05.03**      **Stage 1 Authorization - Hardship and Protection Acquisitions**

Federal aid for H&P acquisition is requested only when total R/W capital costs, including H&P acquisition, are \$1,000,000 or more. The Department's practice is to budget expenditures for Stage 1 H&P acquisitions showing federal participation.

The provisions of 23 CFR 710.503 (b)(c) allow authorizations for protective buying and hardship acquisitions. FHWA may authorize federal participation in acquisition of a particular parcel or a limited number of particular parcels within the limits of a proposed highway corridor prior to completion of the Environmental Impact Study and selection of the route. Known as Stage 1 Authorization, this is simply a federal authorization to proceed without the obligation of federal funds.

Stage 1 Authorization for H&P parcels requires submittal of a complete justification package, along with the preparation and submittal of an E-76 to FHWA. When submitting the E-76 for a Hardship or protection

acquisition, the FADS SCOMMENT screen must clearly indicate that the request for a Stage 1 Authorization is pursuant to 23 CFR Section 710.503 – Protective buying and hardship acquisition, and authorization to proceed under 23 CFR 630.106 (c) (3).

The following statement must be typed in SCOMMENT screen for the request of Stage 1 Authorization:

“Authorization to proceed shall not constitute any commitment of Federal funds, nor shall it be construed as creating in any manner any obligation on the part of the Federal funds for that portion of the undertaking not fully funded herein.”

The Stage 1 Authorization allows eligible incurred costs be reimbursed after the appropriate requirements are fulfilled provided a revised E-76 (converting from the authorization from Stage 1 to 2 – Regular Right of Way) is transmitted to and approved by FHWA.

Since all eligible Stage 1 costs, including appraisal, acquisition, and rental activities, potentially qualify for federal participation, they must be captured by a multiphase (project) EA and not by a single phase EA. See Section 3.04.04.01 for charging information on H&P acquisitions.

All 2 and H Phase EAs for Stage 1 must be masterfiled in TRAMS EA Table for federal participation and must reflect Federal-Aid Status Code 1, Condition Code 3, and other appropriate federal-aid information.

On Stage 1 Authorization, Federal Program Accounting establishes the R/W project in CBARS under Status Code S to ensure that eligible project costs are not prematurely billed to FHWA.

#### **3.05.05.04**      **Stage 2 Authorization - Conversion to Regular Federal-Aid Project**

When an H&P project progresses to the environmental clearance stage, the Stage 1 authorized project must be converted to a Stage 2 regularly funded federal-aid R/W project. As soon as project criteria are met, district P&M must submit a revised E-76 using FADS to receive federal funding obligations.

The following information must be included in the SCOMMENT Screen on the revised E-76 for a Stage 2 Authorization:

- Stage 2 Authorization (Conversion from Stage 1 Authorization)
- Environmental Clearance Document Date
- Route Adoption Date
- Public Hearing Date

Upon approval of the Stage 2 Authorization, Federal Program Accounting changes the federal project status in CBARS from Code S to A to allow billing of H&P costs to FHWA.

Once a project has progressed to Stage 2, R/W capital outlay expenditures are charged to the Phase 9; the “H” phase of the project EA is no longer used. Upon environmental clearance, district P&M should change Phase H EA from Status 40 to 70 so it will no longer accept charges to this EA phase.

#### **3.05.06.00**      **Project Identification**

The Federal-Aid Project Number (FPN) is the project identifier on a federal-aid project. For State purposes, the project EA is the project identifier. (See Section 3.02.00.00 for additional information on EAs.) More than one project EA may be assigned to a federal project, and more than one federal project may be assigned to an EA.

Both FPN and EA are referenced on various documents including the E-76. FPNs and EAs are contained in the EAS PMF, PMCS, TRAMS, CBARS, IRWS, RWPS, and ELMS.

The relationship between FPNs and EAs is important, especially with regard to federal authorization and reimbursement. Proper federal-aid information must be established in PRIME on the “U” card of the EA(s) to link an FPN to one or more EAs or vice versa for the department to record project expenditures and to bill and collect federal reimbursement.

### **3.05.06.01**      **Federal-Aid Project Number**

The Federal Resources Office assigns an FPN to identify a specific federally aided highway project or federally approved research study. The number is used to monitor project activities and funding and must be on the E-76, PR2 or PR2A, and any other support documents for the project.

An example of two versions of an FPN is:

- I-105-3 (311) for documentation
- 042 1053 311 for TRAMS and CBARS

The FPN as displayed in the first version above must be shown on R/W plans, contracts, deeds, appraisals, options, vouchers, correspondence, and other documents and papers.

### **3.05.06.02**      **EA Adjustments for Combined and Split Projects**

When combining or splitting project EAs, district R/W must exercise caution to maintain the federal-aid information related to authorized federal-aid R/W projects.

- **One Federal-Aid R/W Project Involved** - newly created EAs must reflect the original federal-aid project number if they are within the project termini authorized by the E-76.
- **Two Federal-Aid R/W Projects Involved** - newly created EAs with Subjob numbers must be established to correspond respectively with each federal-aid project. (Post mile, or kilometer post, identification will be key to relating to appropriate federal aid R/W project.)

Consult with Headquarters P&M if the combined or split projects result in discrepancies with the federal project limits.

### **3.05.07.00**      **Request for Approval/To Proceed, Form E-76**

As a condition for receiving federal-aid, the Department must obtain FHWA authorization of work and execute a project agreement with the Federal Government for contractual obligation of the federal share of a project.

The Department and FHWA use FADS Electronic Signature System to electronically transmit information required to authorize the project, execute the project agreement, and obligate funds for the federal-aid project. (See the table entitled “Departmental Data Bases and Systems” in Section 3.01 for additional information on FADS.).

Section 1305 of the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) amended 23 U.S.C 106(2) and combined authorization of work and execution of the project agreement for a federal-aid project into a single action. Prior to the passage of TEA-21, there was a two-step process for committing federal funds and entering into a formal agreement with FHWA. FHWA regulations [23 CFR 630.303(c)] combined these steps into a single action.

The Department and FHWA division office now handle all project authorizations/agreements as a single action through execution of the project agreement in the FADS Electronic Signature System. After reviewing E-76 data, FHWA Division transmits the FADS data to the FMIS in Washington, D.C. for electronic signature to

finalize the agreement. The process on the E-76, authorization/agreement, is complete when the data is transmitted back to FADS from FMIS with signature names and dates for each project.

The electronic processing of the Authorization to Proceed (E-76), Project Agreement (PR2), and Modification of Project Agreement (PR2A) replaces the hard copies of these referenced documents.

Since costs are not eligible for federal participation if incurred prior to the authorization to proceed date, timeliness of E-76 submittal and authorization is critical. The district must submit an E-76 to Federal Resources Office as soon as possible after environmental approval. Authorization to proceed with preliminary engineering and acquisition of rights of way on H&P projects is obtained in the same manner as regularly financed federal-aid projects.

The E-76 must be prepared for each highway project eligible for federal-aid funding. The purpose of the E-76 is to:

- Cover the various types of projects and kinds of work to be undertaken.
- Indicate the effective date governing FHWA authorization for federal share of eligible costs.
- Show the total amount of project cost requested and federal funds obligated.
- Set forth any special provisions or limits relating to the project.

The E-76 must be submitted at the following milestones for R/W projects:

- Preliminary work - before beginning any effort, such as appraisal maps.
- R/W hardship or protection, appraisal, acquisition, relocation assistance, and utility relocation - before beginning effort.

Capital outlay costs are eligible for participation upon E-76 approval prior to commencement of the activity proposed for participation. For example, acquisition activities commence with the "First Written Offer." Submittal of the "First Written Offer" before the E-76 is approved makes all acquisition costs nonparticipative. The same restrictions apply to other capital outlay activities, e.g., utilities relocation and RAP.

Federal aid must also be requested for R/W support when federal aid is requested for capital outlay costs. Initially an E-76 is submitted to cover preliminary R/W work, such as R/W engineering activities, then subsequent E-76s are submitted for the remainder of capital outlay and support costs.

The E-76 contains basic data about the project and the phase for which participation is being requested. The district drafts the request and the Federal Resources Office finalizes it. The E-76 should include:

- Total estimated support costs and functions involved in the support costs (e.g., acquisition, utilities, and RAP).
- Total estimated capital outlay broken down by costs of acquisition (right of way, excess land, and demolition and clearance), RAP, Last Resort Housing, and utilities.
- Total number of acquisition parcels.
- Total number of RAP families and business relocations.
- Total number of Last Resort Housing units.

### **3.05.08.00**      **R/W Project Estimate**

The Department must provide total R/W costs for an entire project when submitting an E-76 for FHWA's approval to proceed. The total R/W costs must include separate estimates for:

- Acquisition (R/W and excess).
- RAP Families and Businesses.
- Last Resort Housing/Hardship Acquisition.
- Utilities.
- Support.

The total R/W costs displayed on the E-76 must reflect R/W (capital outlay) cost estimates that are on the COST RW-1 screen in PMCS.

A R/W support cost estimate must be itemized separately on the E-76 and not included in the cost of acquisitions. Since support estimates currently are calculated manually and no standard procedures are applied, many projects are underobligated and underfunded in federal funds. Support costs must be current and realistic, and based on anticipated workload. If workload changes, support costs must be revised.

The R/W cost estimate provided on the E-76 should be kept current and updated whenever it is determined the estimate is no longer valid. See Chapter 4, Estimating.

### **3.05.09.00**      **Amendment/Modification of Federal-Aid Project Agreement**

When it is necessary to adjust federal funding on a project, the Federal Resources Office will prepare and transmit an electronic Amendment/Modification to FHWA for review and approval. The modification of project agreements should continue to be processed in accordance with the requirements in 23 CFR 630, Subpart C.

The modifications to the project agreement are based on funding adjustments on an “as needed basis” to cover federal-aid accruals or funding and adjustments requested by R/W and/or Accounting.

Eligible project costs cannot be reimbursed beyond funding limits under federal project agreement. Therefore, it is advisable that the electronic Amendment/Modification be submitted to FHWA in a timely manner.

### **3.05.10.00**      **Multiple Federal Funding**

R/W projects may have multiple federal funding, that is, more than one funding source of federal funds. Two examples of dual or multiple funding are:

- A project with Interstate Completion (I) and Interstate Rehabilitation (IR) funds.
- A project with Surface Transportation Program (STP) and Minimum Allocation (MA) funds.

The Federal Resources Office can obligate different classes of federal funds for a specific project depending on the need and availability of funds. It is not unusual for a R/W project that spans a number of years to be financed with different types of federal funds.

A R/W project that is multifunded (dual, triple, or quadruple funded) must have correct federal-aid information on the “U” card of all EAs related to the project. Specifically, all EAs involved in the project must reflect the correct participating ratio for each funding (federal-aid fund type). This is to ensure that project expenditures will be accurately charged to the appropriate FPN. Each FPN carries a separate class of program fund reflecting its reimbursement rate.

District R/W sets up the initial federal-aid information on the “U” card of a R/W EA using information from the approved E-76 — essentially the initial federal funding and the project number(s) (e.g., 315 0052 687). Federal Program Accounting adjusts the “U” card information for subsequent funding modifications approved by FHWA.

Infrequently, a R/W project has dual funding that requires separate accountability of federal funds. For example:

- A project involves **two** different routes - one is an Interstate route, the other is a State route (e.g., I-880 and SR 237).
- A R/W project is approved with both Interstate Construction (I) and Interstate Maintenance (IM) or Interstate Rehabilitation (IR) funds.

P&M must receive sufficient project information related to conditional funding requirements and limitations when a project is approved by FHWA and R/W work is identified for federal funding. This is to ensure that R/W EAs are correctly masterfiled to maintain separate accountability for costs to be charged to each federal fund type. District R/W must be aware of the funding restrictions inherent in the different federal fund types to prevent mischarging project costs to FHWA. In addition to the above, under SB 45 programmed projects may also have multiple federal funding sources that require separate accountability. Therefore, it is important to exercise care to segregate the different federal fund types and properly account to each fund type and individual federal-aid project.

R/W should consult with the Federal Resources Office when clarification is needed on separate accountability of federal funds and other federal-aid funding issues.

#### **3.05.11.00 Federal Emergency Relief (ER) Funded Projects**

In situations where there are declared disasters (storms, earthquakes, fires, etc.) eligible for Federal Emergency Relief (ER) funds, the Department of Transportation (Caltrans) must follow Federal Emergency Relief Recovery Procedures to assure maximum federal reimbursement. Where the damage is significant, Caltrans will prepare a Letter of Intent to the Federal Highway Administration (FHWA) to apply for ER funds. FHWA approves and allocates ER funds either administratively or when a Presidential Declaration of Disaster is declared.

Under the Emergency Relief Program, Emergency Opening (EO) and Permanent Restoration (PR) work are eligible for ER funds. Consult HA-23 Statewide Program Advisor or Federal Resources Area Engineer for the difference between Emergency Opening and Permanent Restoration.

FHWA will reimburse the Department with Emergency Relief (ER) Funds at a rate of 100 percent for eligible emergency opening expenditures incurred during the first 180 days of a federally declared disaster. According to the Federal Register, the 180-day period starts on the initial day of the disaster. Emergency opening work continuing beyond the 180-day period will be reimbursed using the normal qualifying rates for the project.

Restoration work is not eligible for 100 percent federal reimbursement even if accomplished during the 180-day period following the start of the disaster. Projects for restoration work will follow the normal federal-aid process. Before restoration work begins, an E-76 must be approved. Restoration work is reimbursed by FHWA at the normal system rate, currently 91.57 percent on Interstate routes and 88.53 percent on all other Federal Aid Highways.

While the Federal Resources Office and Headquarters Maintenance are responsible for processing the ER projects for approval and funding with FHWA, it is still the District’s responsibility to initiate the authorization request (E-76) and assure all requirements are met before beginning work. If work is begun prior to approval of the E-76, Federal ER funds will be lost. (Consult with the Federal Resources Office for guidelines and procedures for handling ER funded projects.)

For ER funded projects, only work for temporary operations, emergency repairs, and preliminary engineering may proceed without prior Federal authorization. All other work including right of way appraisals and permanent restoration must have a signed Request for Approval/To Proceed (E-76) prior to proceeding.

EO projects must have photographs and other documentation of the initial damaged site to substantiate emergency opening costs. Also, a Damage Assessment Form (DAF) must be prepared for each site located on Federal-aid highways. The DAFs for State highway projects must include cost estimates for all phases of work including those of R/W.

When major damage and disasters occur, Right of Way must actively participate in the Emergency Relief process to ensure that R/W work is considered and included in the DAF. The following are necessary:

#### **Emergency Opening (EO) Projects**

- Participating as part of the disaster team to perform field reviews of damage sites
- Providing R/W cost estimates to the District Major Damage Coordinator in the District Maintenance Office for the Damage Assessment Form (DAF)
- Providing R/W cost estimates to District Major Damage Coordinator for the E-76 **(HQ Federal Resources is responsible for preparing the E-76 for EO projects, including the R/W estimates.)**
- Ensuring R/W staff charges to the proper EAs established for the EO projects
- Delivering R/W work in a timely manner for Emergency Opening Phase
- Confirming completion of R/W work on ER projects and notifying Federal Program Accounting for final vouchering of ER projects

#### **Permanent Restoration (PR) Projects**

- Coordinating with Project Development on the PR projects
- Developing R/W estimates as in regular typical projects
- Requesting federal participation by submitting E-76 in a timely manner **(R/W prepares and submits Request for Approval/To Proceed, E-76 for all PR projects.)**

**NOTE:** Permanent restoration projects are not required to be listed in a Federally approved Transportation Improvement Plan unless they involve substantial function, location or capacity changes [23 CFR 450.324(f)].

#### **All R/W work for permanent restoration projects must have a signed E-76 prior to proceeding.**

- Ensuring R/W staff charge to the proper EAs established for the PR projects
- Delivering R/W work in a timely manner for Permanent Restoration Phase
- Monitoring PR projects funded by ER funds and notifying Federal Program Accounting of completion of R/W work for final vouchering of projects

General questions regarding the ER Program, the HA-23 program, Deputy Directive DD-26, the Major Damage Restoration Handbook, and the Director's Order and Resolution G-11 Processes should be directed to the Headquarters Maintenance HA-23 Statewide Program Advisor.

### **3.05.12.00      Federal Reimbursement**

The Federal-Aid Highway Program is a reimbursable program. The Department provides the initial cash to get a project underway, then receives federal funds for the federal share of the project cost incurred and work completed. This means Caltrans must first obtain obligational authority, execute a project agreement, incur costs, and bill FHWA for payment. Then it can receive payment. FHWA will pay only those expenses eligible for reimbursement, limited to the amounts shown on the executed PR2 and PR2A.

Once the project is authorized and the Federal-Aid Agreement is executed, expenditures are accumulated in TRAMS and reimbursement procedures are initiated. Project expenditures are matched with the appropriate federal funds reimbursement criteria, and FHWA pays the State a pro rata share of eligible participating costs. See Section 3.05.12.07 for information about the Department's system for billing FHWA.

#### **3.05.12.01**      **Importance of Federal Reimbursements**

Over 50 percent of the Department's annual resources come from federal reimbursements. Although the amount apportioned to California from the current Federal Highway Act is part of the annual Caltrans budget for a given fiscal year, the actual amount reimbursed depends on the amount claimed in compliance with established approval and reimbursement procedures.

#### **3.05.12.02**      **Maximizing Federal Reimbursement**

Timeliness of accounting entries and proper coding of transactions are essential for maximizing federal reimbursement. Each employee who codes a time sheet, car tag, or any other accounting document is performing an accounting function and has a responsibility for coding those costs properly.

A key element is correct use of the Federal-Aid Eligibility (FAE) code with activity and object codes. See Section 3.05.12.05 for detailed information.

#### **3.05.12.03**      **Reimbursable R/W Costs**

FHWA approves and limits the project expenditures it reimburses to those costs the Department has actually incurred (i.e., cash disbursed, not dollars encumbered).

Federal funds may participate in R/W costs recorded in TRAMS in two categories:

- **Capital Outlay** - costs necessary to acquire and clear rights of way for project construction. All capital outlay costs must be charged to a specific project. To meet FHWA requirements, capital costs must be recorded in sufficient detail to determine eligibility. This includes transactions for land, improvements, damages, utility relocation, demolition, clearance, relocation assistance, condemnation deposits, and income relating to sale of improvements and excess lands.
- **Incidental (Support)** – personnel and operating expenses supporting R/W functions that produce the capital outlay payments. FHWA uses the term “incidental cost;” the Department uses “support cost.”

#### **3.05.12.04**      **Definitions**

**Direct eligible costs** are those expenditures incurred after federal authorization on a project is obtained. Generally, eligible acquisition and related costs are based on a parcel-by-parcel authorization by FHWA. Federal participation in real property costs is limited to the costs of property incorporated into the final project and the associated direct costs of acquisition, unless provided otherwise.

23 CFR Section 710.203 (4) (b) (1) expands federal reimbursement for right-of-way acquisition costs beyond the current limits of “generally compensable” costs. Federal aid eligibility now extends to items usually covered by state law and items formerly determined not to be compensable under earlier CFR guidelines. See above-referenced section of 23 CFR for details on federal participation in direct costs.

District R/W is responsible for determining federal eligibility of R/W costs.

**Ineligible costs** are those expenditures that are not eligible for reimbursement (e.g., costs that would normally be eligible, but are incurred prior to FHWA's approval of the E-76. FHWA does not participate in any costs (except early acquisition soft match) that are incurred prior to the authorization of a project.

As a result of TEA-21 and the newly adopted Federal regulations, FHWA no longer limits federal reimbursements on formerly excluded costs, such as goodwill and defendant's costs in connection with condemnation action.

The Department may also decide not to obtain federal reimbursements on certain eligible project costs. For example, since 1991 R/W has provided state funds to cover the costs of title reports and escrow fees and has charged these as ineligible project costs. Additionally, in 2000, Caltrans made a policy decision not to seek federal reimbursement for property management costs (see Section 11.01.09.00).

See Section 8.50.04.00, Segregation of Acquisition Costs for Federal Reimbursement, and Section 8.50.04.01, Federal Reimbursement Provisions.

**Participation Ratio (Percentage)** is that portion of the eligible costs applicable to project segments authorized for federal reimbursement. State projects often provide for work outside the limits of a federal-aid project, thereby creating a nonparticipating portion. Generally, federally approved R/W projects are 100% participation.

**Reimbursement Percentage** is used to calculate the portion of the participating eligible costs that will be reimbursed. FHWA establishes the reimbursement percentage for each federal program. ISTEA made various funding changes in the Federal-Aid Highway Program. The Federal Resource Office should be consulted for specific questions about federal project funding.

The following is an example of CBARS calculations of federal reimbursement:

| <u>Elig.<br/>Cost</u> | <u>Part.<br/>Ratio</u> | <u>Reimb.<br/>Rate</u> | <u>Reimb. Fed.<br/>Funds</u> |
|-----------------------|------------------------|------------------------|------------------------------|
| \$150 x               | 100% x                 | 91.57 =                | \$137.26                     |
|                       | Matching State Funds   |                        | <u>12.74</u>                 |
|                       | Total Eligible         |                        | \$150.00                     |

### **3.05.12.05**      **Federal-Aid Eligibility Code**

The coding of expenditures on accounting system entry documents indicates whether or not costs are treated as eligible expenditures. The FAE (prefix) code denotes the eligibility for federal reimbursement of both Activity and Object Code expenditures. The Coding Manual, Section 5, Object Codes, and Section 6, Activity Codes, lists the allowable FAEs for labor and other expenditures.

Activity Code (Labor Charges):

| <u>FAE Code</u> | <u>Federal Reimbursement</u> |
|-----------------|------------------------------|
| 1               | Eligible                     |
| 2               | Ineligible                   |

Object Code (Expenditure-Other than Labor):

| <u>F AE Code</u> | <u>Federal Reimbursement</u> |
|------------------|------------------------------|
| 6                | Eligible                     |
| 7                | Ineligible                   |
| 8*               | Undetermined Eligibility     |

\* FAE Code 8 is used when expenditures are placed in suspense status and federal reimbursement is undetermined.

Generally, the eligibility of R/W costs for federal participation relates directly to whether or not specific parcels have FHWA approval. Utility relocation costs, however, are only eligible for federal participation if FHWA approves and if federal rules and regulations that dictate federal-aid eligibility on R/W project costs are met.

District P&M should be consulted when it is necessary to determine whether or not certain R/W costs are approved for federal participation.

See Exhibit 3-EX-7 for object codes commonly used by R/W.

#### **3.05.12.06**      **Claims for Reimbursement**

Any claims made with FHWA for reimbursement shall be supported by a R/W map or plan showing the rights of way authorized and actually acquired, including parcel identification numbers, area acquired, property lines of acquired area, and any other pertinent data affecting the cost of right of way (e.g., structures, improvements, and fences).

Claims must also include a statement of cost of right of way showing:

- Parcel number.
- Cost of parcel.
- Cost of excess land, if any, acquired from same ownership.
- Credits by parcel or project.
- Incidental expenses (support costs) by parcel or project.
- Cost of construction performed to mitigate damages on a parcel basis, if claimed as a R/W item.

#### **3.05.12.07**      **Current Bill**

Reimbursement of expended project funds is obtained through CBARS, a receivable system that produces the current bill. The current bill is the means by which the state claims reimbursement and informs the federal government of the amount of eligible costs the state has expended on federally participating projects. The current billing process summarizes the federal eligible expenditure data in TRAMS and combines CBARS project information to create the current bill.

Expenditures for R/W billings are generated from the detailed district documents and entered into TRAMS. The R/W Acquisition Data Sheet (FIS 867) is developed from this information.

### **3.05.12.08**      **Accruals - Unbilled Federal Share**

Federal-aid accruals are the reimbursable expenditures incurred by the Department that FHWA has not reimbursed. The three categories of accruals are:

- Expenditures that have not been reimbursed due to the time lag between billing and reimbursement (also referred to as a receivable).
- Expenditures that exceed the agreement amount.
- Expenditures already programmed but for which there is no agreement.

Federal Program Accounting provides Federal Resources and R/W with monthly reports on all federal-aid projects with accruals. Accounting, Budgets, and R/W use the reports to monitor unbilled federal funds and to clear accruals to the extent of available appropriated federal funds.

As part of the process to clear accruals, Federal Resources requests R/W to provide justifications and project cost information necessary for preparing and submitting a PR-2A to FHWA for additional federal funds. R/W assists in resolving accrual issues and is the liaison with Federal Resources and district R/W.

### **3.05.13.00**      **FHWA Citations - Federal Ineligibility Notice**

#### **3.05.13.01**      **General**

Authorized by 23 and 31 CFR, FHWA has implemented the Financial Management Program for effective management of federal-aid funds and control of ineligible costs for federal participation.

23 CFR contains criteria relating to the eligibility of costs for reimbursement of Federal-Aid Highway funds. Pursuant to it, FHWA reviews and audits costs charged to federally reimbursable projects for eligibility. When certain costs are determined to be ineligible for reimbursement, FHWA issues a citation to the Department in the form of a Federal Ineligibility Notice (FIN) that identifies those costs.

#### **3.05.13.02**      **Purpose of FIN**

FIN Form PR-1367 is used to cite final or progress voucher claims for federal reimbursement or to require additional supporting information for such claims. FHWA prepares and submits a PR-1367 to the Department when deficiencies are disclosed that require a deduction from federal-aid participating costs or place such costs in an unbillable status.

#### **3.05.13.03**      **FHWA Issuance of FIN**

FHWA may issue FINs during three major activities:

- |  |
|--|
| <ul style="list-style-type: none"><li>• <b>Operational Audit</b> - FHWA may discover improper charges on the sample projects under audit.</li><li>• <b>FHWA Functional or Technical Review</b> - the reviewer may find items that have been improperly billed.</li><li>• <b>Voucher Fiscal Analysis</b> - FHWA may question certain cost items. The issues raised must be resolved before a revised final voucher can be processed and the project closed.</li></ul> |
|--|

#### **3.05.13.04**      **Required Adjustments to Current Bill**

When a FIN is issued, FHWA requires the Department to make an adjustment in the next billing cycle to move the questioned cost from “Eligible” to “Citation Suspense” category. This is done in accordance with FHWA Order H 2500.1A that all costs documented on a FIN shall be credited at the EA level from the next state current billing, but no later than 30 days from date of the FIN.

Federal Program Accounting does all initial crediting for federal reimbursement when the FIN is received. Credit must be given whether or not Caltrans concurs with the citation. Any differences of opinion on a citation may be negotiated, but should be resolved within nine months.

#### **3.05.13.05**      **Process for Resolving FIN**

The overall process for resolving FINs is shown on the table below.

#### **3.05.13.06**      **Final Adjustments to Projects**

Federal Program Accounting makes the final federal fund adjustments to projects once the FIN is resolved. Accounting coordinates this effort with R/W to ensure the correction is timely and the appropriate amounts are adjusted.

R/W FIN Coordinator must know the status of all outstanding FINs and prepare a quarterly reconciliation of open FINs with Federal Program Accounting.

#### **3.05.14.00**      **Federal Funds Management**

##### **3.05.14.01**      **General**

Federal funds management involves managing federal-aid projects from authorization to reimbursement and is the key to achieving better control over the use of federal funds. Project funds management assures the reprogramming of federal funds through the timely release of excess unexpended funds.

The Department has implemented continuous project funds management in response to audit findings by FHWA and the Office of Inspector General (OIG). The Department must manage its federal-aid funds with emphasis on the following:

- Continuously monitoring project expenditures against obligational authority.
- Applying accelerated procedures for closing completed projects.
- Promptly withdrawing federal-aid projects that will not be completed.
- Releasing funds that exceed project needs in a timely manner.

| <b>PROCESS FOR RESOLVING FIN</b> |                            |  |
|----------------------------------|----------------------------|--|
| <b>Step</b>                      | <b>Responsible Party</b>   | <b>Action</b>  |
| 1                                | Federal Program Accounting | Receives all FINs issued.  |
| 2                                |                            | Distributes copy of FIN to R/W for the R/W federal-aid project at issue. |
| 3                                | R/W FIN Coordinator        | Forwards FIN to the appropriate functional branch.                       |
| 4                                | R/W Functional Branch      | Sends FIN to district.   |

| <b>PROCESS FOR RESOLVING FIN</b> |                          |  |
|----------------------------------|--------------------------|--|
| <b>Step</b>                      | <b>Responsible Party</b> | <b>Action</b>  |
| 5                                | District R/W             | Investigates the allegation, prepares a draft response to FHWA, and recommends final resolution of FIN.  |
| 6                                | R/W Functional Branch    | Prepares and submits final response to FHWA.   |
| 7                                | R/W FIN Coordinator      | Coordinates activities with Federal Program Accounting to ensure that all FINs issued to R/W are resolved and cleared from FHWA's and Accounting's tracking systems. |

District R/W, R/W, Federal Resources Office, Local Programs, Federal Program Accounting, and Local Program Accounting all share in managing federal funds for federal-aid R/W projects.

R/W has oversight responsibilities for project funds management and is the liaison with District R/W, Federal Resources Office, and Federal Program Accounting.

District R/W administers federal-aid projects and manages federal funds. This primarily involves, but is not limited to:

- Obtaining FHWA authorization promptly.
- Monitoring project expenditures against federal obligations.
- Taking timely actions to release unexpended funds or cancel federal obligations.

#### **3.05.14.02      Monitoring Federal Aid Project Expenditures**

At a minimum the district takes the following actions to monitor all activities and project costs.

- Compares approved amounts with actual expenditures incurred.
- Monitors cost overruns to request increased funds.
- Monitors underruns to release or deobligate excess unexpended funds.
- Makes revised project cost estimates as required.

For additional information on project cost overruns, see Section 3.05.12.08.

For additional information on excess federal funds, see Sections 3.05.14.07 and 3.05.14.08.

#### **3.05.14.03      Project Expenditure Report, TRAMS Q48**

In managing federal-aid projects, the Department must properly track project costs by EAs. The TRAMS Q48 Report is a standardized accounting report that provides the most current information available in TRAMS related to projects and EAs. A by-product of the monthly "Project Expenditure Report" (Q41), the Q48 Report combines historic expenditure data recorded in TRAMS through the previous update of Report Q41 and supplements this information with subsequent activity through the report request date.

The report can be obtained by accessing Teale with either a TRAMS or SCOPE logon. Requested reports are produced overnight and can be received at a printer location designated by the user. Procedures for requesting Q48 Reports are described in TRAMS Q48 Project Expenditures Report Procedures Manual, which is available through P&M.

#### **3.05.14.04**      **R/W Acquisition Data History Report, FIS 867Q**

Federal Program Accounting provides the quarterly R/W Acquisition Data History Report, FIS 867Q, to R/W to review project costs at the parcel level. This report shows R/W capital outlay costs and credits recorded by parcel to each federal-aid Phase 9 & H EAs segregated by categories of “Participating,” “Nonparticipating,” and “Undetermined.”

R/W distributes the report to district P&M quarterly. The report is primarily used when reviewing and analyzing federal-aid projects to ensure that there are no inappropriate charges or credits recorded to the projects.

#### **3.05.14.05**      **Estimating Remaining Project Costs**

Prior to completion of a project, the district may need to provide Federal Resources Office with a reasonable estimate of remaining costs. This may occur when project expenditures exceed the agreement (PR2/2A) amount or when there are anticipated excess unexpended funds to deobligate.

In developing remaining cost estimates, the district needs to:

- Review outstanding encumbrances for all R/W EAs related to the federal project. (Accounting provides the Report of Unliquidated Encumbrances upon request.)
- Project support costs for R/W activities left to be performed (e.g., acquisition, RAP, and utilities).
- Estimate capital outlay costs for each type of expenditure (e.g., title and escrow, acquisition, utility relocation, demolition and clearance, and RAP).

#### **3.05.14.06**      **Accelerated Closing Procedures**

R/W monitors federal-aid projects for timely progression through the final voucher stage to prevent unnecessary delays in closing out projects. To advance projects for final vouchering, R/W periodically reviews R/W projects for completion of the related construction projects. Using PMCS to identify projects where construction is completed, R/W requests district R/W to confirm completion of R/W work and to verify that all R/W costs have been paid and no R/W transactions remain outstanding. If a project is completed, R/W notifies Federal Program Accounting to final voucher with FHWA.

#### **3.05.14.07**      **Cancellation of Obligational Authority**

When a project has been deleted through the appropriate Departmental process, district R/W prepares a written notification to the Federal Resources Office requesting FHWA cancellation of federal obligations and deobligation of federal funds, if funds are under agreement. The Federal Resources Office prepares and forwards to FHWA:

- E-76 - to release obligations.
- PR2A - to release federal funds, if applicable.

#### **3.05.14.08**      **Release (Deobligation) of Excess Funds**

Unused federal funds must be released (deobligated) promptly and made available for reprogramming on other highway projects or for other FHWA programs.

R/W periodically provides district R/W with a Project Status Report of inactive projects with significant fund balances to reassess funding needs. District R/W reviews projects to determine whether they will become active or need to be canceled and the funds deobligated. The district advises R/W on project status. If appropriate, the district prepares a written request to Federal Resources Office for release of excess unexpended funds. Federal Resources Office then prepares and forwards a PR2A to FHWA to reduce federal funding on a project.

District R/W should take the initiative at any time prior to completion of a project to release unexpended obligations and identify excess federal funds. (It is not necessary to wait to review the Project Status Report before taking actions to release federal funds.)

#### **3.05.15.00**      **Suspend/Close R/W EAs**

As soon as P&M determines that all R/W costs on a project are recorded in TRAMS, it must suspend all R/W phase EAs for the project. This prevents inappropriate charges from being recorded against the project and allows Federal Program Accounting to begin final vouchering activities.

See Section 3.02.06.00, Suspending EA, and Section 3.02.07.00, Purging EA.

#### **3.05.16.00**      **Final Vouchering - Project Close Out**

The last phase of a federal-aid project is final vouchering and closing of the project.

R/W periodically reviews PMCS to identify completed R/W federal-aid projects and to verify with district P&M that all R/W work is completed and all costs are recorded in TRAMS. R/W then forwards a list of R/W projects to Federal Program Accounting for final voucher activities.

Federal Program Accounting audits project charges to ensure FHWA is billed for all eligible expenses. They then prepare a final voucher representing the final claim for a single, completed, and FHWA-accepted project and submit it to FHWA.

The final claim for the federal share of project costs is made on Form PR-20, Interstate Projects, and Form 1447, Non-Interstate Projects. The final voucher is a segregated summary of the project's total costs and a determination of the final federal share. Accounting uses expenditures in TRAMS as the basis for the final voucher. (A summary of project costs, classified by work type and other supporting documents, shall accompany the final voucher as a means of verifying costs.)

#### **3.05.16.01**      **Final R/W Maps and Parcel List**

Prior to 1994, R/W Engineering prepared a final R/W map that delineated the "as-built lines" and a Parcel List, FA 1567, to support the final vouchering of a completed federal-aid project. Under streamlined procedures approved by FHWA, R/W no longer prepares and forwards the final R/W maps to FHWA. All information required for completed federal-aid projects is recorded on R/W record maps and other maps. R/W Engineering must maintain these maps and make them available for FHWA's review upon request.

For final vouchering purposes, R/W Engineering shall continue to complete the Parcel List, Form FA 1567, to record parcel information on acquired right of way and excess land. To assist R/W Engineering, district P&M shall provide an accurate list of parcels on the completed project to be final vouchered. P&M compiles the parcel list based on the data recorded in IRWS or other data bases for parcel control.

At P&M's request, R/W Engineering completes and forwards Form 1567 to document parcel information for project closure by Accounting. P&M records the Parcel List completion date and forwards the List to Federal Program Accounting.